GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:533
ANSWERED ON:09.07.2004
RBI REPORT ON GROWTH SAVINGS AND INVESTMENTS
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Will the Minister of FINANCE be pleased to state:

(a) whether a report on Growth savings and investments prepared by RBI has noted that domestic industry`s contribution to the GDP growth declined to 18 per cent in 2003-2004 from 34 per cent in preceding year; and

(b) if so, the details and Government`s reaction thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b) The Reserve Bank of India (RBI) in its report on `Macroeconomic and Monetary Developments in 2003-04` issued with the `Annual Policy Statement for 2004-05` on May 18, 2004 has indicated that the industry`s contribution to the growth of real Gross Domestic Product (GDP) declined to 18 per cent in 2003-04 from 34 per cent in the preceding year. The industry sector (comprising mining and quarrying, manufacturing, electricity, gas and water supply), recorded a higher growth of 6.8 per cent in 2003-04 compared with 6.2 per cent in 2002-03. The decline in the contribution of industry sector in 2003-04, despite a higher growth is mainly attributable to a significant improvement in the contribution of agriculture and allied activities from a negative 31.4 per cent in 2002-03 on account of drought to 24.2 per cent in 2003-04. The relative contribution of a specific sector to the growth of GDP depends not only on its own performance but also on the performance of other sectors.